

## Message Text

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PAGE 01 PANAMA 06721 132313Z

71

ACTION ARA-20

INFO OCT-01 ISO-00 SAB-01 EB-11 COME-00 TRSE-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14

DRC-01 ( ISO ) W

----- 002265

P 132224Z DEC 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 9321

C O N F I D E N T I A L PANAMA 6721

E.O. 11652: GDS

TAGS: PN PFOR

SUBJECT: CANAL TOLL INCREASE

SUMMARY. FOREIGN MINISTER GAVE ME TODAY INFORMAL AND VERY CRITICAL COMMENTARY ON PROPOSED TOLL INCREASE. HE SAID COMMENTS WERE FOR MY PERSONAL INFORMATION AND IN INTEREST OF PROMOTING BETTER UNDERSTANDING OF PANAMA'S VIEWS. HE DOES NOT INTEND MAKE ANY PUBLIC STATEMENT BECAUSE THAT WOULD NOT BE HELPFUL TO NEGOTIATING PROCESS BUT GOP DID NOT WANT ITS SILENCE ON SUBJECT TO BE MISUNDERSTOOD. END SUMMARY.

1. KEY POINTS IN MINISTER'S COMMENTARY ARE:

A) THE GOVERNOR'S STATEMENTS HAVE A DIRECT IMPACT ON THE PRESENT CANAL TREATY NEGOTIATIONS AND COULD BE USED BY PANAMA. THE UNILATERAL INJECTION OF THE TOLL ISSUE IN THE NEGOTIATIONS WITHOUT CONSULTATION WITH GOP DID NOT JIBE WITH THE CONCEPT OF "NEW DIALOGUE." CONCEPTUAL PROBLEMS SUCH AS THE ABSENCE OF A DIRECT LINK BETWEEN THE TOLLS AND THE ANNUITY SHOULD BE DEALT WITH IN THE NEGOTIATIONS. THE TYPE OF ATTITUDE IMPLIED IN THE GOVERNOR'S STATEMENT SHOULD CHANGE IF THE NEGOTIATIONS ARE TO BE SUCCESSFUL.

B) PANAMA HAS BEEN EXCLUDED FROM THE DETERMINATION OF POLICIES CONCERNING COSTS AND BENEFITS OF THE CANAL, ALTHOUGH POLICIES

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PAGE 02 PANAMA 06721 132313Z

CONCERNING SALARIES AND EMPLOYMENT ARE OF VITAL IMPORTANCE TO

PANAMA. THE STATEMENTS IGNORE THE PANAMANIAN THESIS ON TOLLS,  
WHICH REGARDS OUR POLICY AS PROVIDING A SUBSIDY FOR U.S. COMMERCE.

C) THE ACCOUNTING SYSTEM USED BY THE CANAL COMPANY GIVES RISE  
TO SERIOUS DOUBTS ABOUT ITS ACCURACY. GAO AND OTHER U.S.-  
SPONSORED STUDIES ARE CITED IN SUPPORT OF PANAMA'S SUSPICIOUS.  
IT IS ERRONEOUS TO ATTRIBUTE THE NET LOSS TO INCREASED LABOR  
COSTS. SPECIFICALLY TACK CRITICIZED THE DEDUCTION OF THE COSTS  
OF THE CANAL ZONE GOVERNMENT AND SERVICES WHICH SHOULD BE PAID  
FROM TAXES ON RESIDENTS, NOT TOLLS.

3. COMPLETE TEXT BEING POUCHEDE DECEMBER 14. GOV. PARKER DEPARTED  
FOR U.S. BEFORE I RECEIVED COMMENTARY. PLEASE INFORM HIM  
OF IT.

SAYRE

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, WAGES, EMPLOYMENT, INTERNATIONAL CANALS, TOLLS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973PANAMA06721  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
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**Image Path:**  
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**Locator:** TEXT ON-LINE  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23-Jan-2002 by martinjw>; APPROVED <13 FEB 2002 by golinofr>  
**Review Markings:**

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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CANAL TOLL INCREASE SUMMARY. FOREIGN MINISTER GAVE ME TODAY INFORMAL AND VERY  
**TAGS:** PFOR, PN, PANAMA CANAL  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005